

**SUCCESSOR AGENCY TO THE
CITY OF COMPTON
REDEVELOPMENT AGENCY**

**INDEPENDENT ACCOUNTANTS' REPORT
ON APPLYING AGREED-UPON
DUE DILIGENCE REVIEW PROCEDURES**

**LOW AND MODERATE INCOME
HOUSING FUND**

SUCCESSOR AGENCY TO THE CITY OF COMPTON REDEVELOPMENT AGENCY
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**INDEPENDENT ACCOUNTANTS' REPORT
ON APPLYING AGREED-UPON DUE DILIGENCE REVIEW PROCEDURES**

Successor Agency to the City of Compton Redevelopment Agency
Compton, California

We have performed the due diligence review procedures enumerated below, which were agreed to by the Successor Agency to the City of Compton Redevelopment Agency, the California State Controller's Office, and the Department of Finance, solely to assist you in determining the unobligated balances in the Low and Moderate Income Housing Funds available to transfer to taxing entities pursuant to California Health and Safety Code Section 34179.5(c). Management of the Successor Agency is responsible for the accounting records pertaining to the unobligated balances. This engagement to apply agreed-upon procedures was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of those parties specified in the report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which the report has been requested or for any other purpose.

Our procedures and findings are as follows:

1. Obtain from the Successor Agency a listing of all assets that were transferred from the former redevelopment agency to the Low and Moderate Income Housing Fund of the Successor Agency on February 1, 2012. Agree the amounts on this listing to account balances established in the accounting records of the Successor Agency. Identify in the Agreed-Upon Procedures (AUP) report the amount of the assets transferred to the Successor Agency as of that date.

We noted that \$62,831,707 of assets was transferred from the Low and Moderate Income Housing Funds of the former redevelopment agency to the Low and Moderate Income Housing Funds of the Successor Agency on February 1, 2012.

2. If the State Controller's Office has completed its review of transfers required under both Sections 34167.5 and 34178.8 and issued its report regarding such review, attach a copy of that report as an exhibit to the AUP report. If this has not yet occurred, perform the following procedures:

- A. Obtain a listing prepared by the Successor Agency of transfers (excluding payments for goods and services) from the Low and Moderate Income Housing Fund of the former redevelopment agency to the city, county, or city and county that formed the redevelopment agency for the period from January 1, 2011 through January 31, 2012. For each transfer, the Successor Agency should describe the purpose of the transfer and describe in what sense the transfer was required by one of the Agency's enforceable obligations or other legal requirements. Provide this listing as an attachment to the AUP report.

Per the Successor Agency, there were no transfers from the Low and Moderate Income Housing Fund of the former redevelopment agency to the City of Compton for the period January 1, 2011 through January 31, 2012.

- B. Obtain a listing prepared by the Successor Agency of transfers (excluding payments for goods and services) from the Low and Moderate Income Housing Fund of the Successor Agency to the city, county, or city and county that formed the redevelopment agency for the period from February 1, 2012 through June 30, 2012. For each transfer, the Successor Agency should describe the purpose of the transfer and describe in what sense the transfer was required by one of the Agency's enforceable obligations or other legal requirements. Provide this listing as an attachment to the AUP report.

Per the Successor Agency, there were no transfers from the Low and Moderate Income Housing Fund of the Successor Agency to the City of Compton for the period February 1, 2012 through June 30, 2012.

- C. For each transfer, obtain the legal document that formed the basis for the enforceable obligation that required any transfer. Note in the AUP report the absence of any such legal document or the absence of language in the document that required the transfer.

This procedure is not applicable.

3. If the State Controller's Office has completed its review of transfers required under both Sections 34167.5 and 34178.8 and issued its report regarding such review, attach a copy of that report as an exhibit to the AUP report. If this has not yet occurred, perform the following procedures:

- A. Obtain a listing prepared by the Successor Agency of transfers (excluding payments for goods and services) from the Low and Moderate Income Housing Fund of the former redevelopment agency to any other public agency or to private parties for the period from January 1, 2011 through January 31, 2012. For each transfer, the Successor Agency should describe the purpose of the transfer and describe in what sense the transfer was required by one of the Agency's enforceable obligations or other legal requirements. Provide this listing as an attachment to the AUP report.

Per the Successor Agency, there were no transfers from the Low and Moderate Income Housing Fund of the former redevelopment agency to other public agencies or to private parties for the period January 1, 2011 through January 31, 2012.

- B. Obtain a listing prepared by the Successor Agency of transfers (excluding payments for goods and services) from the Low and Moderate Income Housing Fund of the Successor Agency to any other public agency or private parties for the period from February 1, 2012 through June 30, 2012. For each transfer, the Successor Agency should describe the purpose of the transfer and describe in what sense the transfer was required by one of the Agency's enforceable obligations or other legal requirements. Provide this listing as an attachment to the AUP report.

Per the Successor Agency, there were no transfers from the Low and Moderate Income Housing Fund of the Successor Agency to other public agencies or to private parties for the period from February 1, 2012 through June 30, 2012.

- C. For each transfer, obtain the legal document that formed the basis for the enforceable obligation that required any transfer. Note in the AUP report the absence of any such legal document or the absence of language in the document that required the transfer.

This procedure is not applicable.

4. Perform the following procedures:

- A. Obtain from the Successor Agency a summary of the financial transactions of the redevelopment agency and the Successor Agency in the format set forth in the attached schedule for the fiscal periods indicated in the schedule. For purposes of this summary, the financial transactions should be presented using the modified accrual basis of accounting. End-of-year balances for capital assets (in total) and long-term liabilities (in total) should be presented at the bottom of this summary schedule for information purposes.
- B. Ascertain that for each period presented, the total of revenues, expenditures, and transfers account fully for the changes in equity from the previous fiscal period.
- C. Compare amounts in the schedule relevant to the fiscal year ended June 30, 2010 to the State Controller's report filed for the redevelopment agency for that period.
- D. Compare amounts in the schedule for the other fiscal periods presented to account balances in the accounting records or other supporting schedules. Describe in the report the type of support provided for each fiscal period.

Because the procedures required by Section 34179.5(c)(4) pertain to the Successor Agency as a whole, these procedures will be addressed in the report that is due on December 15, 2012.

- 5. Obtain from the Successor Agency a listing of all assets of the Low and Moderate Income Housing Fund as of June 30, 2012 for the report that is due October 1, 2012. When this procedure is applied to the Low and Moderate Income Housing Fund, the schedule attached as an exhibit will include only those assets of the Low and Moderate Income Housing Fund that were held by the Successor Agency as of June 30, 2012 and will exclude all assets held by the entity that assumed the housing function previously performed by the former redevelopment agency. Agree the assets so listed to recorded balances reflected in the accounting records of the Successor Agency. The listings should be attached as an exhibit to the appropriate AUP report.

Refer to Exhibit 2 for a listing of the assets of the Low and Moderate Income Housing Fund of the Successor Agency as of June 30, 2012.

6. Obtain from the Successor Agency a listing of Low and Moderate Income Housing Fund asset balances held on June 30, 2012 that is restricted for the following purposes:

A. Unspent bond proceeds:

- i. Obtain the Successor Agency's computation of the restricted balances (e.g., total proceeds less eligible project expenditures, amounts set aside for debt service payments, etc.)
- ii. Trace individual components of this computation to related account balances in the accounting records, or to other supporting documentation (specify in the AUP report a description of such documentation).
- iii. Obtain from the Successor Agency a copy of the legal document that sets forth the restriction pertaining to these balances. Note in the AUP report the absence of language restricting the use of the balances that were identified by the Successor Agency as restricted.

We noted unspent bond proceeds of \$19,778,258. Refer to Exhibit 3.

B. Grant proceeds and program income that are restricted by third parties:

- i. Obtain the Successor Agency's computation of the restricted balances (e.g., total proceeds less eligible project expenditures).
- ii. Trace individual components of this computation to related account balances in the accounting records, or to other supporting documentation (specify in the AUP report a description of such documentation).
- iii. Obtain from the Successor Agency a copy of the grant agreement that sets forth the restriction pertaining to these balances. Note in the AUP report the absence of language restricting the use of the balances that were identified by the Successor Agency as restricted.

Per the Successor Agency, no grant proceeds or program income are restricted by third parties.

C. Other assets considered to be legally restricted:

- i. Obtain the Successor Agency's computation of the restricted balances (e.g., total proceeds less eligible project expenditures).
- ii. Trace individual components of this computation to related account balances in the accounting records, or to other supporting documentation (specify in the AUP report a description of such documentation).
- iii. Obtain from the Successor Agency a copy of the legal document that sets forth the restriction pertaining to these balances. Note in the AUP report the absence of language restricting the use of the balances that were identified by Successor Agency as restricted.

Per the Successor Agency, no other assets are considered to be legally restricted.

- D. Attach the above-mentioned Successor Agency prepared schedule(s) as an exhibit to the AUP report. For each restriction identified on these schedules, indicate in the report the period of time for which the restrictions are in effect. If the restrictions are in effect until the related assets are expended for their intended purpose, this should be indicated in the report.

Refer to Exhibit 3.

7. Perform the following procedures:

- A. Obtain from the Successor Agency a listing of Low and Moderate Income Housing Fund assets as of June 30, 2012 that are not liquid or otherwise available for distribution (such as capital assets, land held for resale, long-term receivables, etc.) and ascertain if the values are listed at either purchase cost (based on book value reflected in the accounting records of the Successor Agency) or market value as recently estimated by the Successor Agency.

We noted \$30,161,644 of assets that are not liquid or otherwise available for distribution as of June 30, 2012. Refer to Exhibit 4.

- B. If the assets listed at 6(A) are listed at purchase cost, trace the amounts to a previously audited financial statement (or to the accounting records of the Successor Agency) and note any differences.

All assets are listed at cost. Refer to Exhibit 4.

- C. For any differences noted in 6(B), inspect evidence of disposal of the asset and ascertain that the proceeds were deposited into the Successor Agency trust fund. If the differences are due to additions (this generally is not expected to occur), inspect the supporting documentation and note the circumstances.

Refer to Exhibit 4.

- D. If the assets listed at 6(A) are listed at recently estimated market value, inspect the evidence (if any) supporting the value and note the methodology used. If no evidence is available to support the value and/or methodology, note the lack of evidence.

This procedure is not applicable.

8. Perform the following procedures:

- A. If the Successor Agency believes that Low and Moderate Income Housing Fund asset balances need to be retained to satisfy enforceable obligations, obtain from the Successor Agency an itemized schedule of asset balances (resources) as of June 30, 2012 that are dedicated or restricted for the funding of enforceable obligations and perform the following procedures. The schedule should identify the amount dedicated or restricted, the nature of the dedication or restriction, the specific enforceable obligation to which the dedication or restriction relates, and the language in the legal document that is associated with the enforceable obligation that specifies the dedication of existing asset balances toward payment of that obligation.
- i. Compare all information on the schedule to the legal documents that form the basis for the dedication or restriction of the resource balance in question.
 - ii. Compare all current balances to the amounts reported in the accounting records of the Successor Agency or to an alternative computation.
 - iii. Compare the specified enforceable obligations to those that were included in the final Recognized Obligation Payment Schedule approved by the California Department of Finance.
 - iv. Attach as an exhibit to the report the listing obtained from the Successor Agency. Identify in the report any listed balances for which the Successor Agency was unable to provide appropriate restricting language in the legal document associated with the enforceable obligation.

The Successor Agency identified unspent bond proceeds of \$19,778,258 as restricted to housing projects enumerated on the official bond documents. Refer to Exhibit 5.

- B. If the Successor Agency believes that future revenues together with balances dedicated or restricted to an enforceable obligation of the Low and Moderate Income Housing Fund are insufficient to fund future obligation payments and thus retention of current balances is required, obtain from the Successor Agency a schedule of approved enforceable obligations that includes a projection of the annual spending requirements to satisfy each obligation and a projection of the annual revenues available to fund those requirements and perform the following procedures:
- i. Compare the enforceable obligations to those that were approved by the California Department of Finance. Procedures to accomplish this may include reviewing the letter from the California Department of Finance approving the Recognized Enforceable Obligation Payment Schedules for the six-month period from January 1, 2012 through June 30, 2012 and for the six-month period July 1, 2012 through December 31, 2012.
 - ii. Compare the forecasted annual spending requirements to the legal document supporting each enforceable obligation.
 - a. Obtain from the Successor Agency its assumptions relating to the forecasted annual spending requirements and disclose in the report major assumptions associated with the projections.
 - iii. For the forecasted annual revenues:
 - a. Obtain from the Successor Agency its assumptions for the forecasted annual revenues and disclose in the report major assumptions associated with the projections.

The Successor Agency believes that future revenues are insufficient to fund enforceable obligations of the Low and Moderate Income Housing Fund and thus retention of the remaining current balances in the amount of \$1,732,000 is required. Refer to Exhibit 6 for a listing of enforceable obligations of the Low and Moderate Income Housing Fund that are insufficiently funded.

C. If the Successor Agency believes that projected property tax revenues and other general purpose revenues to be received by the Low and Moderate Income Housing Fund of the Successor Agency are insufficient to pay bond debt service payments (considering both the timing and amount of the related cash flows), obtain from the Successor Agency a schedule demonstrating this insufficiency and apply the following procedures to the information reflected in that schedule.

- i. Compare the timing and amounts of bond debt service payments to the related bond debt service schedules in the bond agreement.
- ii. Obtain the assumptions for the forecasted property tax revenues and disclose major assumptions associated with the projections.
- iii. Obtain the assumptions for the forecasted other general purpose revenues and disclose major assumptions associated with the projections.

This procedure is not applicable.

D. If procedures A, B, or C were performed, calculate the amount of current unrestricted balances necessary for retention in order to meet the enforceable obligations by performing the following procedures.

- i. Combine the amount of identified current dedicated or restricted balances and the amount of forecasted annual revenues to arrive at the amount of total resources available to fund enforceable obligations.
- ii. Reduce the amount of total resources available by the amount forecasted for the annual spending requirements. A negative result indicates the amount of current unrestricted balances that need to be retained.
- iii. Include the calculation in the AUP report.

Refer to Exhibit 7.

9. If the Successor Agency believes that Low and Moderate Income Housing Fund cash balances as of June 30, 2012 need to be retained to satisfy obligations on the Recognized Obligation Payment Schedule (ROPS) for the period of July 1, 2012 through June 30, 2013, obtain a copy of the final ROPS for the period of July 1, 2012 through December 31, 2012 and a copy of the final ROPS for the period January 1, 2013 through June 30, 2013. For each obligation listed on the ROPS, the Successor Agency should add columns identifying (1) any dollar amounts of existing cash that are needed to satisfy that obligation and (2) the Successor Agency's explanation as to why the Successor Agency believes that such balances are needed to satisfy the obligation. Include this schedule as an attachment to the AUP report.

The Successor Agency believes that cash balances as of June 30, 2012 need to be retained to satisfy obligations on the ROPS for the period of July 1, 2012 through June 30, 2013. Refer to Exhibit 6.

10. Include (or present) a schedule detailing the computation of the Balance Available for Allocation to Affected Taxing Entities from the Low and Moderate Income Housing Fund. Amounts included in the calculation should agree to the results of the procedures performed in each section above. The schedule should also include a deduction to recognize amounts already paid to the County Auditor-Controller on July 12, 2012 as directed by the California Department of Finance. The amount of this deduction presented should be agreed to evidence of payment. The attached example summary schedule may be considered for this purpose. Separate schedules should be completed for the Low and Moderate Income Housing Fund and for all other funds combined (excluding the Low and Moderate Income Housing Fund).

Refer to Exhibit 1 for a schedule detailing the computation of the Balance Available for Allocation to Affected Taxing Entities.

11. Obtain a representation letter from Successor Agency management acknowledging their responsibility for the data provided to the practitioner and the data presented in the report or in any attachments to the report. Included in the representations should be an acknowledgment that management is not aware of any transfers (as defined by Section 34179.5) from either the former redevelopment agency or the Successor Agency to other parties for the period from January 1, 2011 through June 30, 2012 that have not been properly identified in the AUP report and its related exhibits. Management's refusal to sign the representation letter should be noted in the AUP report as required by attestation standards.

A representation letter was obtained from the Successor Agency.

We were not engaged to, and did not, conduct an audit, the objective of which would be the expression of an opinion on the calculation of the unobligated balances in the Low and Moderate Income Housing Funds available to transfer to taxing entities pursuant to California Health and Safety Code Section 34179.5(c). Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the Successor Agency, Oversight Board, County Auditor-Controller, and applicable State agencies, and is not intended to be, and should not be used by anyone other than these specified parties. This restriction is not intended to limit distribution of this report, which is a matter of public record.

October xx, 2012
Redlands, California

SUCCESSOR AGENCY OF THE CITY OF COMPTON
REDEVELOPMENT AGENCY
**SUMMARY OF BALANCES AVAILABLE FOR ALLOCATION TO AFFECTED
TAXING ENTITIES**

Total amount of assets held by the Successor Agency as of June 30, 2012 - Exhibit 2	\$ 61,159,638
Less assets legally restricted for uses specified by debt covenants, grant restrictions, or restrictions imposed by other governments - Exhibit 3	19,778,258
Less assets that are not cash or cash equivalents (e.g., physical assets) - Exhibit 4	30,161,644
Less balances that need to be retained due to insufficient future revenues - Exhibit 5	<u>1,732,000</u>
Amount to be remitted to county for disbursement to taxing entities	<u>\$ 9,487,736</u>

SUCCESSOR AGENCY TO THE CITY OF COMPTON
REDEVELOPMENT AGENCY
SUMMARY OF LOW AND MODERATE INCOME HOUSING FUND ASSETS
AS OF JUNE 30, 2012

<u>Asset Description</u>	<u>Amount</u>
Cash	\$ 20,080,814
Loan receivable	21,145,976
Due from other funds of the Successor Agency	5,589,180
Due from City of Compton	5,328,000
Land held for resale	<u>9,015,668</u>
Total	<u><u>\$ 61,159,638</u></u>

SUCCESSOR AGENCY TO THE CITY OF COMPTON
 REDEVELOPMENT AGENCY
**DETAIL OF UNSPENT BOND PROCEEDS CONSIDERED TO BE
 LEGALLY RESTRICTED**
 AS OF JUNE 30, 2012

<u>Cash in Pooled Deposit</u>	<u>Accounting Records/Other Supporting Documentation</u>	<u>Legal Document</u>	<u>Time Period of Restriction</u>
\$ 19,778,258	General ledger detail, bank reconciliation, and bank statement at 6/30/2012	Official Bond document for \$31,130,000 Compton Redevelopment Project Second Lien Tax Tax Allocation Bonds (Housing), Series 2010A	The restriction is in effect until the related assets are expended for their intended purpose.

SUCCESSOR AGENCY TO THE CITY OF COMPTON
 REDEVELOPMENT AGENCY
**DETAIL OF ASSETS THAT ARE NOT LIQUID OR OTHERWISE
 AVAILABLE FOR DISTRIBUTION**
 AS OF JUNE 30, 2012

Asset Description	Amount	Amount from June 30, 2011 Audited Financials	Difference	Footnote
First-Time Home Buyer	\$ 20,145,976	\$ 20,145,976	-	
Note receivable - Alameda	1,000,000	-	\$ 1,000,000	(1)
Land held for resale	9,015,668	495,299	8,520,369	(1)
Total	<u>\$ 30,161,644</u>	<u>\$ 20,641,275</u>	<u>\$ 9,520,369</u>	

Footnote:

(1) The amounts were included under Capital Projects Fund in the audited 2011 financial statements. We traced the difference to the fund's trial balance.

SUCCESSOR AGENCY TO THE CITY OF COMPTON
REDEVELOPMENT AGENCY
DETAIL OF BALANCES THAT ARE RESTRICTED FOR THE FUNDING
OF ENFORCEABLE OBLIGATIONS

Description	Amount
Cash	\$ 20,080,814
Restricted to housing projects enumerated on the official bond documents	19,778,258
Unrestricted cash	<u><u>\$ 302,556</u></u>

**SUCCESSOR AGENCY TO THE CITY OF COMPTON
REDEVELOPMENT AGENCY
DETAIL OF BALANCES THAT NEED TO BE RETAINED
DUE TO INSUFFICIENT REVENUES**

Obligation No.	Project Name/Debt Obligation	Payee	Description	Total Obligation	Obligation for the FY 2013	Obligation for six months
From ROPS January 1, 2013 through June 30, 2013 (sourced from LMIHF) - See Footnote 1						
41	Residential Rehab Program	Magic Care Termite	Pest control services	\$ 7,000	\$ 7,000	\$ 7,000
43	Residential Rehab Program	Dataquick	Property profile and research	1,000	1,000	1,000
45	First Time Homebuyer and Rehab Program	Lone Star Termite and Pest Control	Pest control services	7,000	7,000	7,000
46	First Time Homebuyer and Rehab Program	Lead Tech Environmental	LBP services	10,000	10,000	10,000
121	North Downtown Master Plan Project	The Ometeotl Group	Fiscal, proforma and project analysis, developer negot	10,000	10,000	2,500
125	N. Downtown Master Plan/Agency Assets	Stacie Nyborg	Affordable Housing program agreement preparations	5,000	5,000	2,500
129	N. Downtown Master Plan/Agency Assets	Commercial Protective Services	Property maintenance and security services	30,000	30,000	10,000
133	Affordable Housing Monitoring	SJC3 Consulting	Affordable Housing program administration assistance	10,000	10,000	10,000
142	Affordable Housing Monitoring	Brandy Adair	Affordable Housing program administration assistance	10,000	10,000	10,000
151	Low-Moderate Housing Afford Covenants	U.S.Dept Housing & Urban Dev (HUD)	Low-Moderate Income HOME program funds	450,000	450,000	450,000
152	First Time Homebuyer and Rehab Program	Various Title Companies/ Escrow	Downpayment Assistance for moderate income buyers	#####	1,800,000	<u>300,000</u>
Subtotal						810,000

(1) Per the Successor Agency, since no 20% set-aside funding is anticipated in the future, the sub-total of \$810,000 will need to be retained to satisfy the obligations sourced from LMIHF.

**SUCCESSOR AGENCY TO THE CITY OF COMPTON
REDEVELOPMENT AGENCY
DETAIL OF BALANCES THAT ARE NEEDED TO BE RETAINED
DUE TO INSUFFICIENT REVENUES (Continued)**

Obligation No.	Project Name/Debt Obligation	Payee	Description	Total Obligation	Obligation for the FY 2013	Obligation for six months
From ROPS January 1, 2013 through June 30, 2013 (sourced from RPTTF) - See Footnote 2						
10	Meta Housing - Phase I	City of Compton	Successor Agency Staff Costs	\$ 39,000	\$ 39,000	\$ 39,000
11	Meta Housing - Phase II	City of Compton	Successor Agency Staff Costs	39,000	39,000	39,000
12	Residential Rehab Program	City of Compton	Successor Agency Staff Costs	182,000	182,000	182,000
13	First Time Home Buyer Program	City of Compton	Successor Agency Staff Costs	130,000	130,000	130,000
14	Housing Projects Negotiations	City of Compton	Successor Agency Staff Costs	130,000	130,000	130,000
18	Alameda Court (Townhomes)	City of Compton	Successor Agency Staff Costs	39,000	39,000	39,000
19	Affordable Housing Monitoring	City of Compton	Successor Agency Staff Costs	130,000	130,000	130,000
42	Residential Rehab Program	California Title Association	Title policies	3,000	3,000	3,000
44	Residential Rehab Program	City of Compton	Property inspections - Bldg & Safety	10,000	10,000	10,000
47	First Time Homebuyer and Rehab Program	Consultant	Property inspections - Housing	70,000	70,000	70,000
48	Ongoing Housing Monitoring	Consultant	Refinancing/Deed of Trust/Resales	#####	75,000	75,000
49	Annual Affordability Monitoring	Consultant	10 Rental Projects; 250 FTHB Loans	#####	75,000	75,000
	Sub-Total					<u>922,000</u>
	Total amount to be retained					<u>\$ 1,732,000</u>

Footnotes:

(2) Per the Successor Agency, the Department of Finance is deducting a total of \$1,017,359 from the amount requested by the Successor Agency for the period January 1, 2013 through June 30, 2013. The amount represents the total obligations approved on ROPS for January 1, 2012 through June 30, 2012 but not expended by the Successor Agency. The Successor Agency needs to retain \$922,000 from the Low and Moderate Income Housing Fund to satisfy these enforceable obligations.

**SUCCESSOR AGENCY TO THE CITY OF COMPTON
REDEVELOPMENT AGENCY
CALCULATION OF CURRENT UNRESTRICTED BALANCES THAT NEED
TO BE RETAINED**

The amount of current unrestricted balances that need to be retained is calculated as follows:

Identified current dedicated or restricted balances	\$ 19,778,258
Amount of forecasted annual revenues	-
Amount of total resources available to fund enforceable obligations	19,778,258
Forecasted annual spending requirements	
Housing projects funded by bond proceeds	\$ 19,778,258
ROPS 3 obligations sourced from LMHIF	810,000
Other ROPS 3 obligations for which there is insufficient funding	922,000
	<u>21,510,258</u>
Amount of current unrestricted balances that need to be retained	<u><u>\$ (1,732,000)</u></u>